

FISCAL MANAGEMENT NEWS\$

August 2001

(A Newsletter Published by the Fiscal Management Division of OMB)

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GASB 34

(Governmental Accounting Standards Board Statement 34)

GASB 34 establishes a new financial reporting framework for state and local governments. This statement is the biggest change in the history of public-sector accounting and financial reporting and is effective for the state's CAFR for fiscal year 2002.

A few of the key features of the new reporting model include government-wide financial statements, additional long-term focus for governmental activities, and infrastructure reporting. Government-wide financial statements require the consolidation of the state's financial activities, including the elimination of some interfund transactions. These statements will be prepared on a full accrual basis as opposed to a

modified accrual basis, which is currently used for government funds. For these statements, the state's infrastructure will need to be capitalized and all fixed assets will need to be depreciated. The operating statement will focus on the cost of each of the government's functional activities and demonstrate the degree to which each function is self-financing.

OMB is in the process of developing new policies and procedures for CAFR preparation under GASB 34. OMB may be contacting other state agencies in regard to their financial activities to aid in the implementation process. It is anticipated that all of the current GAAP closing package forms and manual instructions will be revised, and possibly new closing packages developed for agencies to use for FY2002 reporting. OMB plans to hold training sessions for agencies in the spring of 2002.

Enhancements have been made to the mainframe Fixed Asset System in order to provide depreciation information for the fixed assets. A user's manual for the system was sent to all state agencies in the spring of 2001. An updated Fixed Asset Policy manual has been sent out as an appendix to the OMB Fiscal and Administration Policy manual.

For the 10th consecutive year, the Fiscal Management Division of OMB has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the FY2000 CAFR (Comprehensive Annual Financial Report) of the State.

This prestigious award is presented by the Government Finance Officers Association of the United States and Canada. You may view our award-winning report at the following website:
<http://www.state.nd.us/fiscal/CAFR/CAFRIndex.htm>

Sheila Peterson, Awarded NASBO's Gloria Timmer Award



Sheila Peterson, Director of the Fiscal Management Division of OMB, was awarded the Gloria M. Timmer Award at the annual meeting of the National Association of State Budget Officers (NASBO) in August. Her staff initiated and submitted the nomination for the award.

The Gloria Timmer Award is given in honor and memory of Ms. Timmer who served as Kansas Budget Director, NASBO President, and NASBO Executive Director prior to her death in 2000. The award is the highest honor that NASBO can bestow upon a budget officer.

In accepting the award, Sheila indicated it was very special to have her staff submit the nomination – the same people who, day in and day out, make her look good because of their efforts!! *Congratulations Sheila!!*

National Payroll Week September 3-7, 2001

The State of North Dakota is joining in the salute to the American worker and payroll professionals by participating in National Payroll Week, September 3-7, 2001.

There are 9,266 people employed at the State of North Dakota who expect and demand that paychecks be accurate and on time. National Payroll week is a public awareness campaign that pays tribute to payroll professionals and the more than 130 million people who work in the United States. National Payroll Week highlights the payroll professionals who support the American system by not only processing wages, but also reporting earnings and withholding

employment taxes that keep America running smoothly.

A paycheck that has a single mistake can result in noticeable morale problems and reduced productivity says OMB. "It is our job to ensure that each and every employee is paid accurately and on time."

Take a minute to thank your payroll clerk for the job they do at getting your payroll check or direct deposit to you.

Legislative Appropriations Report

The 2001-03 Legislative Appropriations report has been published and distributed to state agencies and legislators. This publication summarizes the legislative changes to the governor's recommendations for state agency budgets. The report is organized into four major policy areas - Life Long Learning, Economic Prosperity, Quality of Life, and Responsible Government. For additional copies of the report call 328-4904 or email sfrankli@state.nd.us.

Business Process Reengineering

Because of our responsibility to ensure that State government operates as efficiently and effectively as possible, we are introducing an initiative to promote business process reengineering within North Dakota State government. Business process reengineering is defined as the fundamental rethinking and radical redesign of business processes to bring about dramatic improvements in performance.

On July 16 an overview presentation on business process reengineering was held to introduce state agencies to the concept. Because of the overwhelming interest we have scheduled two three-day workshops to be presented by the Ben Graham Corporation on August 28, 29 and 30 and September 11, 12, and 13. There are still openings for the September session if you are interested and have not yet registered. Contact Maureen Vosberg with Central Personnel at 328-3293 to register. The cost is \$375 per person.

Business process reengineering boasts a long list of success stories. Although some agencies have already begun this endeavor, previously no formal process has been put forth to promote the practice and accumulate the results.

Employee Suggestion Incentive Payment



Rod Backman, Shirley Teply, Governor Hoeven

The Employee Suggestion Incentive Program is an excellent way for employees to become directly involved in improving the efficiency of state government while still maintaining quality service. At the August 24, 2001 press conference, Rod Backman stated that the state has saved over \$1 million since inception of the program.

We're proud of our employee, Shirley Teply, Account Technician, who suggested recovering – rather than replacing – old, worn, and outdated Herman Miller partitions and work surfaces. The first year savings for Shirley's suggestion amounted to \$10,765. For her suggestion, Shirley received the maximum amount of \$2,000. *Congratulations Shirley!!*

SIBR Updates

As usual, after the legislative session, work on updating the SIBR system begins. We are upgrading to Oracle 8 and Powerbuilder 8 and converting our system from the mainframe to a UNIX box. This means agencies will no

longer be billed for use of SIBR. The bill will be paid entirely by the budget office.

As of the middle of September, agency users will no longer be able to access SIBR. During that time, testing and preparation for the upcoming budget cycle will take place. New versions of SIBR will be prepared and available early in 2002 for agency use in the 2003-2005 budget.

Increasing Purchasing Limits

OMB has raised the credit card limit from \$1,000 to \$2,500 per transaction on the purchasing cards. Each agency will determine the limit per cardholder. If an agency would like to increase the limits, please send Shirley Teply the name of the cardholder as well as their credit card number. *Remember that you still need to follow the guidelines set by State Procurement for purchasing requirements.*

Check out the Fiscal Management Website

www.state.nd.us/fiscal

Be sure to check our redesigned website for new messages, manuals, forms, etc. The following items have been added the past few months:

- Approved State Budget 2001-03
- Fiscal and Administrative Policies effective 8-1-01
- Latest information on GASB 34
- Revenue and Expenditure Codes for 2001-03 Biennium

New manuals:

- Fixed Asset Policy Manual
- Fixed Asset System User Manual
- OnDemand Report Viewing (formerly R/DARS)

Printable and fillable forms from our website:

- Authorized Voucher Signatures
- ACH Authorization Form
- Purchasing Card Record
- Purchasing Card Application and Use Agreement
- Travel Expense Voucher

The Out-of-State Meal Allowance Rates will be changing October 1, 2001, based on the federal fiscal year. Keep posted on accounting, payroll, and CAFR information by checking our website frequently.

New Employee

Jill Schafer joined the OMB accounting staff in February 2001 as Accounting Manager. Jill's primary responsibilities are to assist in the preparation of the annual CAFR and implementation of GASB 34, the new reporting model for the CAFR.



Jill comes to us from the State Auditor's Office with 10 years experience in state government accounting matters.

Welcome Jill!!!

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ADDRESS SERVICE REQUESTED

If you have any questions or
comments concerning this newsletter,
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701-328-4904.